



City of Chattanooga

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June 30, 2023

VIA EMAIL AND CERTIFIED U.S. MAIL

Alan Slepian, Esq.
General Counsel
Synagro South, LLC
435 Williams Court, Suite 100
Baltimore, MD 21220

Re: *Demand for Mediation and Notice of Breaches of Contract*

Dear Mr. Slepian:

The City of Chattanooga ("City") is in receipt of your letter dated June 22, 2023, in which you on behalf of Synagro South, LLC ("Synagro") allege certain unsupported claims that the City is in breach of its Purchase Agreement with Synagro ("Contract"). Your letter further demands mediation under Section 14 of the Contract prior to any exercise of legal remedies under that contract. The City would submit that the referenced claims of breach are not factually or legally valid and would refer Synagro to the letter dated May 25, 2023 from Director of Operations for the Wastewater Department Jacob McCrary which previously asserted specific breaches of the Contract and the Contract Services Agreement in Synagro's handling of the biosolid materials for the City. A copy of Mr. McCrary's letter is again attached for your convenience and review.

The City hereby demands that Synagro remedy its noncompliance with the terms of the Contract and the terms of the Contract Services Agreement, which was revised on August 17, 2021 immediately. Synagro's noncompliance with its duties for offsite transportation and land application of biosolids at Pages 11 through 17 is currently subjecting the City to possible additional enforcement actions and related penalties by the Tennessee Department of the Environment and Conservations ("TDEC") for Synagro's failure to properly store, handle, and spread biosolid materials. In addition to damages for such possible TDEC penalties, the City may also pursue claims for liquidated and other damages it has and may continue to incur as a result of breaches by Synagro of its duties at Pages 11 through 17 of its Contract, which is attached.

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The City would further submit that it is premature at this time to schedule mediation until Synagro resolves the current claims of breach which have been documented by TDEC and observed by Mr. McCrary regarding specific issues concerning offsite transportation from MBWWTP to other sites where land application of biosolids is provided by your company. Please give me a call or written communication if you wish to address the concerns stated in Mr. McCrary's letter and the current issues asserted by TDEC.

Yours very truly,



PHILLIP A. NOBLETT
City Attorney

PAN/kap

Attachments (2)

cc: Mark Heinzer, Administrator, Wastewater Department